

SENATE BILL 798

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2004 Regular Session
4r3046
CF HB 344

By: **Senator Middleton**

Introduced and read first time: February 16, 2004

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Maintenance Drug Prescriptions - Mail Order Purchase**

3 FOR the purpose of repealing a prohibition against certain health insurance or
4 nonprofit health service plan policies or contracts imposing a co-payment,
5 deductible, or other condition on the use of a community pharmacy that the
6 policies or contracts do not impose on the services of a mail order pharmacy;
7 prohibiting certain insurers, nonprofit health service plans, and health
8 maintenance organizations from limiting the purchase of certain maintenance
9 drugs to purchase through mail order pharmacies; authorizing certain insurers,
10 nonprofit health service plans, and health maintenance organizations to
11 establish cost sharing for retail purchase of certain maintenance drugs that
12 differs from cost sharing for mail order purchase; and generally relating to
13 health insurance provisions for purchasing prescribed maintenance drugs
14 through mail order.

15 BY repealing and reenacting, with amendments,
16 Article - Insurance
17 Section 15-805 and 15-824
18 Annotated Code of Maryland
19 (2002 Replacement Volume and 2003 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Insurance**

23 15-805.

24 (a) (1) In this section the following words have the meanings indicated.

25 (2) "Authorized prescriber" means a licensed dentist, licensed physician,
26 or licensed podiatrist who is authorized under the Health Occupations Article to
27 prescribe a pharmaceutical product.

1 (3) "Pharmaceutical product" means a drug or medicine that may be
2 prescribed by an authorized prescriber.

3 (b) This section does not apply to a policy or contract that is issued to an
4 employer under a collective bargaining agreement.

5 (c) (1) This subsection applies to each policy or contract that is issued or
6 delivered in the State to an employer or individual by an insurer or nonprofit health
7 service plan and that provides group or individual hospital, medical, or surgical
8 benefits.

9 (2) A policy or contract subject to this subsection that provides
10 reimbursement for a pharmaceutical product prescribed by an authorized prescriber
11 may not establish the amount of reimbursement to the insured or the insured's
12 beneficiary, including copayments and deductibles, based on the identity, practicing
13 specialty, or occupation of the authorized prescriber.

14 [(d) (1) This subsection applies to each individual or group policy or contract
15 that is issued or delivered in the State to an employer or individual by an insurer or
16 nonprofit health service plan and that provides benefits for pharmaceutical products.

17 (2) A policy or contract subject to this subsection may not impose a
18 copayment, deductible, or other condition on an insured or certificate holder who uses
19 the services of a community pharmacy that is not imposed when the insured or
20 certificate holder uses the services of a mail order pharmacy, if the benefits are
21 provided under the same program, policy, or contract.]

22 15-824.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) "Authorized prescriber" has the meaning stated in § 12-101 of the
25 Health Occupations Article.

26 (3) "Maintenance drug" means a drug anticipated to be required for 6
27 months or more to treat a chronic condition.

28 (b) This section applies to:

29 (1) insurers and nonprofit health service plans that provide coverage for
30 drugs under health insurance policies or contracts that are delivered or issued for
31 delivery in the State to employers or individuals on a group or individual basis; and

32 (2) health maintenance organizations that provide coverage for drugs
33 under contracts that are delivered or issued for delivery in the State to employers or
34 individuals on a group or individual basis.

35 (c) This section does not apply to an insured or enrollee who is a resident of a
36 nursing home.

1 (d) (1) An entity subject to this section shall allow an insured or enrollee, if
2 authorized by an authorized prescriber, to receive up to a 90-day supply of a
3 maintenance drug in a single dispensing of the prescription.

4 (2) The provisions of paragraph (1) of this subsection do not apply to the
5 first prescription or change in a prescription for a maintenance drug that the
6 authorized prescriber prescribes for the insured or enrollee.

7 (e) Whenever an entity subject to this section increases the co-payment for a
8 single dispensing of a prescription in a supply in excess of 30 days, the entity shall
9 also proportionately increase the dispensing fee to the pharmacist for the
10 prescription.

11 (F) AN ENTITY SUBJECT TO THIS SECTION MAY NOT LIMIT THE PURCHASE OF
12 A 90-DAY SUPPLY OF A MAINTENANCE DRUG TO PURCHASE THROUGH A MAIL ORDER
13 PHARMACY, BUT MAY ESTABLISH COST SHARING FOR RETAIL PURCHASE OF A
14 MAINTENANCE DRUG THAT DIFFERS FROM COST SHARING FOR MAIL ORDER
15 PURCHASE OF A MAINTENANCE DRUG.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2004.